



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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First Midwest Bank, Itasca, Illinois, Assumes All of the Deposits of Palos Bank and Trust Company, Palos Heights, Illinois

Palos Bank and Trust Company, Palos Heights, Illinois, was closed today by the Illinois Department of Financial and Professional Regulation - Division of Banking, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with First Midwest Bank, Itasca, Illinois, to assume all of the deposits of Palos Bank and Trust Company.

The five branches of Palos Bank and Trust Company will reopen on Saturday as branches of First Midwest Bank. Depositors of Palos Bank and Trust Company will automatically become depositors of First Midwest Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage. Customers of Palos Bank and Trust Company should continue to use their existing branch until they receive notice from First Midwest Bank that it has completed systems changes to allow other First Midwest Bank branches to process their accounts as well.

This evening and over the weekend, depositors of Palos Bank and Trust Company can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of June 30, 2010, Palos Bank and Trust Company had approximately \$493.4 million in total assets and \$467.8 million in total deposits. First Midwest Bank will pay the FDIC a premium of 1.0 percent to assume all of the deposits of Palos Bank and Trust



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-189-2010**

Company. In addition to assuming all of the deposits of the failed bank, First Midwest Bank agreed to purchase essentially all of the assets.

The FDIC and First Midwest Bank entered into a loss-share transaction on \$343.8 million of Palos Bank and Trust Company's assets. First Midwest Bank will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-913-3053. The phone number will be operational this evening until 9:00 p.m., Central Daylight Time (CDT); on Saturday from 9:00 a.m. to 6:00 p.m., CDT; on Sunday from noon to 6:00 p.m., CDT; and thereafter from 8:00 a.m. to 8:00 p.m., CDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/palosbank.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$72.0 million. Compared to other alternatives, First Midwest Bank's acquisition was the least costly resolution for the FDIC's DIF. Palos Bank and Trust Company is the 110th FDIC-insured institution to fail in the nation this year, and the fourteenth in Illinois. The last FDIC-insured institution closed in the state was Ravenswood Bank, Chicago, on August 6, 2010.
